

JORDAN ETH (BAR NO. 121617)
JEth@mofo.com
JUDSON E. LOBDELL (BAR NO. 146041)
JLobdell@mofo.com
MARK R.S. FOSTER (BAR NO. 223682)
MFoster@mofo.com
MORRISON & FOERSTER LLP
425 Market Street
San Francisco, California 94105
Telephone: 415.268.7000
Facsimile: 415.268.7522

ANNA ERICKSON WHITE (BAR NO. 161385)
AWWhite@mofo.com
MORRISON & FOERSTER LLP
755 Page Mill Road
Palo Alto, California 94304
Telephone: 650.813.5600
Facsimile: 650.494.0792

Attorneys for Defendants YAHOO! INC., TERRY S. SEMEL,
AND SUSAN L. DECKER

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

MANFRED HACKER, on Behalf of Himself and
All Others Similarly Situated,

Plaintiffs,

v.

YAHOO! INC., TERRY S. SEMEL, AND
SUSAN L. DECKER,

Defendants.

CLASS ACTION

Case No. C-07-2592-MJJ

**NOTICE OF PENDENCY OF
OTHER ACTIONS**

[CIVIL L.R. 3-13]

NOTICE OF PENDENCY OF OTHER ACTIONS

Defendants Yahoo! Inc. (“Yahoo!”), Terry Semel and Susan Decker submit this notice pursuant to Civ. L.R. 3-13 because two related actions pending in other courts involve “all or a material part of the same subject matter and all or substantially all of the same parties” as in this action. Civ. L.R. 3-13(a).

I. THIS CLASS ACTION

This is a securities fraud class action subject to the requirements of the Private Securities Litigation Reform Act of 1995, Pub. L. No. 104-67, 109 Stat. 737 (1995) (the “Reform Act”). Plaintiff Manfred Hacker seeks to represent a class of all persons who purchased Yahoo!’s publicly traded securities during a class period of April 8, 2004 to July 18, 2006. (Compl. ¶ 1.) Plaintiff alleges that, during this period, Defendants made false or misleading statements in press releases and SEC filings with the purpose and effect of artificially inflating the market price of Yahoo! securities in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5. (*Id.* ¶¶ 4, 32–38.) Plaintiff alleges that the press releases and SEC filings contained false or misleading representations concerning Yahoo!’s advertising technology and practices and that projections of future performance contained in these statements lacked a reasonable basis because of undisclosed problems in this area, including that Yahoo! allegedly misled customers into buying Yahoo! advertising through deceptive means, had “operationally flawed and defective” advertising technology, and was losing market share. (*Id.* ¶ 4.)

II. THE CENTRAL DISTRICT CLASS ACTION

A second securities class action, containing virtually identical allegations and brought on behalf of the same proposed class of securities purchasers, was filed in the Central District of California, entitled *Ellen R. Brodsky v. Yahoo! Inc., Terry S. Semel, and Susan L. Decker*, U.S. Dist. Ct. C.D. Cal., 07-03125-CAS (SMOx). The two class actions were filed only days apart.

Defendants anticipate that, pursuant to the Reform Act, a single lead plaintiff and a single lead counsel firm will be appointed to prosecute a single consolidated class action case in either this court or the Central District. *See* 15 U.S.C. § 78u-4(a)(3). Defendants expect that the parties will attempt to agree upon the court in which the securities litigation is prosecuted. If agreement

1 cannot be reached, it may be necessary to litigate motions to transfer. *See* Civ. L.R. 3-
2 13(b)(3)(B).

3 **III. THE STATE-COURT DERIVATIVE ACTION**

4 Four days after the Central District class action was filed, a third plaintiff, Greg
5 Brockwell, filed a stockholder derivative action in the Superior Court of California for the County
6 of Santa Clara, *Brockwell v. Semel, et al.*, Santa Clara Super. Ct., Case No.1:07-CV-085892.
7 Based on the same factual allegations as contained in the class action complaints, Brockwell's
8 complaint purports to assert state-law claims in the name of Yahoo! against Yahoo!'s Board of
9 Directors and Ms. Decker. Brockwell did not make the required pre-suit demand on Yahoo!'s
10 Board and the court has not determined that he as standing to pursue the litigation on Yahoo!'s
11 behalf.

12 Defendants expect that the Brockwell derivative action will be stayed pending resolution
13 of the class actions. In the event that this does not occur, and the derivative and class actions
14 proceed simultaneously, it may be necessary to coordinate the two proceedings. *See* Civ. L.R. 3-
15 13(b)(3)(C).

16 Dated: June 11, 2007

MORRISON & FOERSTER LLP

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18 By: Judson E. Lobdell [e-filing signature]
19 Attorneys for Defendant(s)
20 YAHOO! INC., TERRY S. SEMEL,
21 AND SUSAN L. DECKER
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ECF ATTESTATION

I, Mark Foster, am the ECF User whose ID and Password are being used to file this:

NOTICE OF PENDENCY OF OTHER ACTIONS

In compliance with General Order 45, X.B., I hereby attest that Judson E. Lobdell has concurred in this filing.

DATED: June 11, 2007

MORRISON & FOERSTER LLP

By: /s/ Mark Foster [e-filing signature]